

Chapter 2

Allocation of Assets to PAEs, PAE Payment Process

Executive Summary

SECTION 2-1

This Chapter describes the process for assigning individual assets to the PAEs. In addition, it provides general guidance to the PAEs on payment of invoices and where detailed information can be found.

Asset Allocation

SECTION 2-2

A. HUD Multifamily Hub or Program Center Actions.

1. One hundred and twenty (120) days before expiration of a Section 8 Contract, an owner submits Attachment 4 of HUD Notice 99-36 (or subsequent guidance) to the HUD Multifamily Hub or Program Center.
2. The Multifamily Hub or Program Center will confirm that the owner is not ineligible for Mark-to-Market due to suspension, debarment, or pending enforcement action.
3. The Multifamily Hub or Program Center will forward the owner submission to OMHAR HQ, attention: Asset Assignment Specialist. OMHAR HQ will acknowledge receipt to the Multifamily Hub or Program Center.
4. The Multifamily Hub or Program Center project manager will update the Real Estate Management System (REMS) to reflect the assignment of the project.

B. **OMHAR's Initial Asset Assignment Package.** OMHAR sends out an initial asset package to each PAE. The package contains a number of documents to assist in the asset assignment process. After receipt of the

package, the PAE will, among other things, sign and return the Form 2.1, PAE Conflict of Interest and Civil Rights Action Certification, which is completed only once.

C. **Subsequent Assignment Packages.** Each assignment package thereafter will contain a list of potential assets (Form 2.9), which may be assigned to the PAE when the conflict of interest review has been completed. The PAE will complete the short form of conflict of interest certification (Form 2.2) for each of these assets and return it to OMHAR for review.

D. **Assignment of Assets.** After completing review of the Form(s) 2.2 and assessing the PAEs capacity, OMHAR forwards the following materials to the PAE for the official assignment of assets:

1. Schedule of Projects. This schedule lists the asset(s) being assigned to the PAE and includes the type of asset (Lite, Full, or Comp Review). Two originals of this list are included. The PAE signs and dates both, and returns one to OMHAR within two (2) business days from the date of receipt. The date the PAE signs the Schedule becomes the Acceptance Date of the asset(s) and that date should be entered into the M2M MIS system by the PAE.
2. Form 2.13, Asset Payment Authorization. Form 2.13 sets forth the maximum restructuring expenses, base fees and incentive fees for which OMHAR will reimburse the PAE. There is one Form 2.13 for each asset. This form is signed and dated by the PAE and returned to the appropriate OMHAR Regional Office for signature. A signed copy of the Form is returned to the PAE. (The date on this form is not the PAE Acceptance Date.)
3. Asset file folders. OMHAR provides a file for each asset that contains the information on that asset that was received from the HUD Multifamily Hub or Program Center.

E. **Change of Asset Status.** To implement a change in asset status, such as from Lite to Full, or to remove an asset from the M2M program, the PAE must complete a Form 2.16 for the change in, or removal of, the asset. A revised Form 2.13 will accompany each Form 2.16.

Note that when an asset assigned as a Lite changes to a Full, the PAE must obtain the new election (Attachment 4 of HUD Notice 99-36) from the owner before the Form 2.16 can be approved.

PAE Payment Process

SECTION 2-3

- A. **Invoicing Forms/Detailed Guidance.** Detailed invoicing guidance is available in the M2M PAE Invoicing Material binder (dated May 10, 2000). Copies of this binder have been distributed to each PAE. This binder includes:
1. The invoicing processing flow and timeline.
 2. The forms applicable to the invoicing process, their purpose and the processing flow of these forms. Electronic copies of the forms (with the exception of Form SF 3881) are available via the OMHAR web site at: <http://www.hud.gov/omhar/readingrm>.
 3. Various guides to assist the PAE in invoicing base fees, incentives, third party reimbursables, travel, etc.
 4. Sample invoices to demonstrate the proper method of invoicing various travel scenarios.
- B. **Additional Guidance.** PAEs should direct requests for additional guidance and/or clarification on invoicing issues to their Relationship Manager or the OMHAR Resource Desk at resourcedesk@omhar.com.
- C. **General Overview.**
1. Pre-Invoicing Activities. Upon execution of the PRA, OMHAR will send the PAE a Form 2.12, which will provide invoicing instructions, the PAE contract number and the address of the OMHAR Regional Office to which they are to submit monthly invoices. OMHAR will also provide guidance to the PAE on completing Form SF 3881, a form used to collect payee and financial institution information so that payments can be made electronically.
 2. Asset Specific Invoicing. Form 2.14A is the general invoicing form used to request payment for asset specific restructuring activities. Form 2.14A includes Schedule A, which is used to track current and prior payments to the PAE to ensure that the fee structures established in Form 2.13 are not exceeded.
 3. Non-Asset Specific Invoicing. Form 2.14B is used by the PAE to request reimbursement for restructuring activities that pertain to more than one asset or to the PAE as a whole. The PAE should receive OMHAR approval of these items prior to incurring costs.
 4. Travel Reimbursement. OMHAR will reimburse the PAE for both asset specific and non-asset specific travel. When requesting travel

reimbursement, the PAE must attach a separate Government Travel Voucher for each individual requesting reimbursement of travel expenses. This Government Travel Voucher must accompany Form 2.14A or 2.14B, whichever is applicable.

5. Waivers. Invoices may not exceed the maximum amounts set forth in Form 2.13 unless the PAE requests, and OMHAR approves, a Form 2.15 waiver.
6. Invoice Submission. The PAE should submit a single original invoice and appropriate supporting documentation to the applicable OMHAR Regional Office. PAEs should submit only one Form 2.14A for each asset and/or one Form 2.14B for all non-asset reimbursables during the course of a month.
7. OMHAR Review and Approval. Invoices will be reviewed and approved by the appropriate OMHAR Regional Office. Once the invoice is deemed acceptable for payment, the invoice will be submitted to the Voucher Specialist in OMHAR Headquarters (HQs) for processing of the payment. Any amounts disallowed by OMHAR will be explained to the PAE.
8. Payment. Once HUD requests the U.S. Department of Treasury to make a deposit to the PAE's account, OMHAR HQs staff will issue a letter to the PAE. This letter specifies the invoices being paid and the approved invoice amounts. The letter indicates that payment should be expected within 5 business days of the PAE's receipt of this notification.

Business Forms

Section 2-4

2.1	PAE Conflict of Interest and Civil Rights Action Certifications (Standard Form)
2.2	PAE Conflict of Interest and Civil Rights Action Certifications (Short Form)
2.3	PAE Invoice
2.4 - 2.8	Reserved
2.9	List of Potential Assets
2.10 - 2.11	Reserved
2.12	Transmittal Letter from OMHAR HQ to the PAE with Invoicing Instructions
2.13	Asset Payment Authorization
2.14A	PAE Payment Invoice - Asset Specific
2.14B	PAE Payment Invoice - Non Asset Specific

- 2.15 OMHAR Waiver Form
- 2.16 Letter from PAE to OMHAR to Request Change of Asset Status